



Clarification on News: Negotiation of TAG

Rio de Janeiro, February 13, 2019 - Petróleo Brasileiro S.A. - Petrobras informs that it received the Official Letter No. 78/2019 -SAE, which requests the following clarification:

Official Letter no. 78/2019 -SAE

Dear Gentlemen,

In news published by the Valor Econômico newspaper on 02/12/2019, under the title "Negotiation of TAG by Petrobras enters into final stage", among other information, it is stated that:

- 1. After a long idle period, the sale process of Transportadora Associada de Gás (TAG) by Petrobras entered into the final phase, with an offer of US\$ 8 billion by the French group of gas and energy Engie;*
- 2. This amount is for a 90% interest that the state-owned company has put up for sale, which includes the immediate settlement of a debt with BNDES, related to the construction of TAG - estimated at R\$ 5 billion;*
- 3. The expectation is that everything is completed by next week.*

We request clarification on the outlined items, until 9 AM on 02/13/2019, with your confirmation or otherwise, as well as other information deemed relevant."

Clarification

Firstly, it should be noted that the information related to the competitive process of divesting 90% of the shareholding held by Petrobras in Transportadora Associada de Gás S.A. ("TAG") were duly disclosed to the market on 05/09/17, 10/23/17 and 12/28/17, pursuant to the Systematics for Disinvestment of Assets and Companies of the Petrobras System ("Systematics"). In addition, on 05/08/18, 06/05/18 and 01/17/19, additional clarifications were provided regarding said process.

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Para mais informações:

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In this sense, in the Notice to the Market released on 05/08/18, we disclosed that Engie Brasil Participações Ltda. (Engie) submitted the best proposal in the binding phase of the competitive process and, therefore, was invited to participate in the negotiation phase of the agreements, but no exclusivity agreement has been concluded in the meantime. During the negotiation with such company, a preventive order was issued by the 4th Panel of the Federal Regional Court of the 5th Region, according to Notice to the Market disclosed on 06/05/2018, suspending the sale process. In addition, a preventive order was issued by the Federal Supreme Court (STF), under a Direct Lawsuit of Unconstitutionality (ADIN 5624 MC/DF), establishing certain requirements for state companies to sell the control over their subsidiaries, after which Petrobras decided to suspend some of its divestment projects, as disclosed to the market in Material Fact of 07/03/2018.

On 01/17/2019, Petrobras announced to the market the resumption of the sale of TAG, taking into account: (i) the decision of the Superior Court of Justice rendered on 01/15/2019, which accepted the request filed by the Federal Government to reverse the decision of the 4th Panel of the Federal Regional Court of the 5th Region, and (ii) the opinion of the Federal Attorney General's Office ("AGU"), which concludes that Petrobras meets the requirements set forth by STF in the ADI 5624 MC/DF.

The competitive process was resumed from the point where it had been stopped and negotiations with Engie continued.

It is worth reaffirming that there is currently no final definition regarding the sale agreement terms and conditions, including the transaction value and potential negotiation on debts with financial institutions. The possibility of successive negotiations with the other tenderers is also not ruled out, following the order of classification of the competitive process, as provided in article 35 of Decree 9188/17, as well as any new round of binding proposals, if applicable.

Once the process is successful, the transaction must be submitted to approval by the relevant bodies of the parties.

Finally, Petrobras reaffirms that it will continue to comply with all stages of market disclosure provided for in the Systematics and the Decree.

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